

EXHIBIT 12

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

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ALICIA HERNANDEZ, et al.,
individually and on
behalf of all others
similarly situated,

Plaintiffs,

vs.

No. 3:18-cv-07354-WHA

WELLS FARGO & COMPANY, and
WELLS FARGO BANK, N.A.,
Defendants.

_____/

30(b)(6) VIDEOTAPED DEPOSITION OF CARMEN BELL
SAN FRANCISCO, CALIFORNIA
FRIDAY, AUGUST 2, 2019

Stenographically reported by:
ANDREA M. IGNACIO, CSR, RPR, CRR, CCRR, CLR
California CSR No. 9830
Job No. 3476159
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1 second error occurred prior to 2015? 10:18

2 MS. KNIGHT: Object to form. 10:18

3 THE WITNESS: Yes. And that's where it's 10:18

4 referenced April 2010 in the -- one, two, three -- 10:19

5 fourth bullet down, in which it states that we're 10:19

6 going to go back to 2010 of April. 10:19

7 MR. PAUL: Q. Did -- so let me go at it this 10:19

8 way: Was there anything about the change of setting 10:19

9 the fee matrix to 0 in October of 2015 that caused or 10:19

10 contributed to the second error? 10:19

11 MS. KNIGHT: Object to the form. 10:19

12 THE WITNESS: No. 10:19

13 MR. PAUL: Okay. 10:19

14 Q How would it come about where the -- the HPA 10:20

15 tool wouldn't be adding those two together, so that 10:20

16 the second error could occur without the first error 10:20

17 occurring? 10:20

18 MS. KNIGHT: Object to form. 10:20

19 THE WITNESS: Can you ask the question again, 10:20

20 please? 10:20

21 MR. PAUL: Sure. 10:20

22 Q So what I'm trying to figure out is, before 10:20

23 that table is set to 0, if it -- if the HPA tool is 10:20

24 pulling the fee matrix number in and adding it into 10:20

25 whatever fees are there, how does the second error 10:20

1 occur, because that's not pulling in the fee matrix? 10:20

2 MS. KNIGHT: Object to form. 10:20

3 Go ahead. 10:20

4 THE WITNESS: The HPA tool has various 10:20

5 investors and programs built into it. Only in certain 10:20

6 circumstances, GSEs, Fannie and Freddie, and owned, 10:20

7 bank and private, HAMP treasury, had the calculation 10:21

8 error present. 10:21

9 In the other instances within the HPA tool, 10:21

10 that automation was not built in. And hence, we had a 10:21

11 different practice in which we would get the pending 10:21

12 quote from the attorney. And that wasn't checked per 10:21

13 having a control in place. 10:21

14 MR. PAUL: Okay. 10:21

15 Q And so which -- which types of loans would 10:21

16 those be? 10:21

17 Which government programs or non-GSE 10:21

18 programs? 10:21

19 A Can you clarify, when you say "which type," 10:21

20 are you -- what you're referring to? 10:21

21 Q The investor or insurer. 10:21

22 A I'm sorry. For the second error? 10:21

23 Q For the second error, yes. 10:21

24 A Thank you. 10:21

25 The second error would have been for GSE 10:21

1 repayment plans, as well as the SLOAD tool. So now, a 10:22
2 different tool in which HUD loans were underwritten 10:22
3 in. 10:22
4 Q Okay. Was there any time period where the 10:22
5 second error related to loans in which the HPA tool 10:22
6 was used? 10:22
7 MS. KNIGHT: Object to form. 10:22
8 THE WITNESS: Can you ask the question again, 10:22
9 please? 10:22
10 MR. PAUL: I can. 10:22
11 Q So the -- let me ask it this way: 10:22
12 Post-October 2015, could the second error occur for 10:22
13 loan modifications being reviewed using the HPA tool, 10:22
14 in addition to the SLOAD tool? 10:23
15 MS. KNIGHT: Object to form. 10:23
16 THE WITNESS: Yes, for phase, the second 10:23
17 issue we're referring to, but not for where we 10:23
18 corrected the matrix automated issue. 10:23
19 MR. PAUL: Q. So let me -- let me just see 10:23
20 if I can boil this down here and keep this straight. 10:23
21 The -- the first error is always the HPA 10:23
22 tool, not the SLOAD tool? 10:23
23 A That's accurate. 10:23
24 Q And for the second error, it's always the 10:23
25 SLOAD tool throughout the entire 2010 to 2018 time 10:23

1 period, and in some instances the HPA tool? 10:23

2 MS. KNIGHT: Object to form. 10:23

3 THE WITNESS: Yes. 10:23

4 MR. PAUL: Q. And the HPA tool would be 10:23

5 post-October 2015? 10:23

6 MS. KNIGHT: Object to form. 10:23

7 THE WITNESS: Yes, in those instances, where 10:24

8 the calculation error -- it wasn't the calculation 10:24

9 error. 10:24

10 MR. PAUL: Right. Okay. 10:24

11 Q The overview third bullet point, May 1, 2018, 10:24

12 to the present, based on the review and validation 10:24

13 that has occurred to date, do you believe that the 10:24

14 problem -- that both the first and second errors have 10:24

15 been resolved or are no longer occurring 10:24

16 post-April 31, 2018? 10:24

17 A I do, yes. 10:24

18 Q All right. 10:24

19 So the population, you mentioned earlier that 10:24

20 those numbers are not correct. Let's just go through 10:24

21 each of those. 10:24

22 What is the current number of impacted 10:24

23 accounts for Phase 1, as you know it to be today? 10:25

24 A I don't know the -- the -- the breakout off 10:25

25 the top of my mind by each of the phases. I know the 10:25

1 Preservation Application, decision tool. It -- based 10:57
2 on the date, it -- it is one that was after the 10:57
3 implementation of the tool. 10:57
4 Q Did the tool predate April 2010? 10:57
5 A No. 10:57
6 MS. KNIGHT: Object to form. 10:57
7 THE WITNESS: No. 10:57
8 MR. PAUL: Okay. All right. 10:57
9 Q So with respect to the -- the time period for 10:57
10 Phase -- the Phase 1 error, that began with the 10:57
11 implementation and use of the HPA? 10:58
12 A Yes. 10:58
13 Q Okay. All right. 10:58
14 If you would turn to what says page 1 in the 10:58
15 bottom right. It actually begins with the numbers 10:58
16 '71415. 10:58
17 A Page '5. 10:58
18 (Witness complies.) 10:58
19 Okay. I'm there. 10:58
20 Q All right. 10:58
21 Was the Home Preservation Application put in 10:58
22 place because of the advent of HAMP loans? 10:59
23 MS. KNIGHT: I'll object to form. 10:59
24 MR. PAUL: Loan modifications. I'm sorry. 10:59
25 THE WITNESS: Not for that sole reason. 10:59

1 MR. PAUL: Okay. 10:59

2 Q Was that part of the purpose? 10:59

3 A Yes. 10:59

4 Q All right. 10:59

5 And what -- what other reasons were there for 10:59

6 the HPA tool? 10:59

7 A To create a more standard underwriting 10:59

8 decision tool, given the number of various programs 10:59

9 over the various investors. 10:59

10 Q Okay. There are -- if you -- beginning on 10:59

11 page 1, there's a -- a list of phases: Preconditions, 11:00

12 eligibility, trial period, and final modification. 11:00

13 Which of these phases did the first error 11:00

14 occur in? 11:00

15 MS. KNIGHT: Object to form. 11:00

16 THE WITNESS: Phase 2, I would say, generally 11:00

17 speaking, it would have been in the eligibility 11:00

18 criteria. 11:00

19 MR. PAUL: Okay. 11:00

20 Q And would the same be true with respect to 11:00

21 the second error during the time period that the HPA 11:00

22 tool -- H -- the loans that used the HPA tool had the 11:00

23 error two occur? 11:01

24 MS. KNIGHT: Object to form. 11:01

25 MR. PAUL: Q. Do you understand my question? 11:01

1 CIT 1552 was opened, there was a concern that maybe 11:52
2 customers were impacted, but not a determination at 11:52
3 that point in time that they had been, in fact, 11:52
4 impacted? 11:52
5 MS. KNIGHT: Object to form. 11:52
6 THE WITNESS: Yeah, I would describe it as 11:52
7 there was a need to check to see if anybody was 11:52
8 impacted, because we would always be concerned if we 11:52
9 inappropriately denied somebody. 11:52
10 MR. PAUL: Q. Do you have an understanding 11:52
11 as to how they got it wrong? 11:52
12 How did they wrongly determine that no 11:52
13 customers were impacted? 11:53
14 MS. KNIGHT: Object to form. 11:53
15 THE WITNESS: We have attempted to go back 11:53
16 and recreate and determine the how through the 11:53
17 documentation and the team members that are still 11:53
18 here. We have not been able to determine the how. 11:53
19 MR. PAUL: Okay. 11:53
20 Q There were -- so in this bullet point: 11:53
21 "In January-February 2014, approximately 11:53
22 50 loans were reviewed." 11:53
23 Isn't it true that some of those 50, that 11:53
24 were reviewed and determined, did not have a customer 11:53
25 impact, you've subsequently determined were, in fact, 11:53

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25 impact, you've subsequently determined were, in fact, 11:53

1 stating we estimated outstanding fees and costs, which 15:36
2 caused the loan to be denied." 15:36
3 Do you know what that's a reference to? 15:36
4 A We have went back and tried to research that, 15:36
5 and we have not been able to identify what that is. 15:36
6 (Document marked Exhibit 408 15:37
7 for identification.) 15:37
8 MR. PAUL: All right. 15:37
9 Q Ma'am, I've handed you what we've marked as 15:37
10 Exhibit 408. 15:37
11 Is this an e-mail that you've reviewed 15:37
12 before? 15:37
13 A I don't recall seeing this one, but it -- 15:37
14 I -- but I can speak to it. 15:38
15 Q Okay. So the -- the date of the e-mail chain 15:38
16 here is November of 2015. So that would be, for 15:38
17 context, after the fee matrix is set to 0; right? 15:38
18 A That would be correct. 15:38
19 Q All right. 15:38
20 And then -- well, in fact, that's what it 15:38
21 says: 15:38
22 "HPA attorney fee matrix was turned off 15:38
23 October 2, 2015." 15:38
24 Right? 15:38
25 A Yes. 15:38

CERTIFICATE OF REPORTER

I, ANDREA M. IGNACIO, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth, and nothing but the truth in the within-entitled cause;

That said deposition was taken in shorthand by me, a disinterested person, at the time and place therein stated, and that the testimony of the said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

That before completion of the deposition, review of the transcript [] was [x] was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed are appended hereto.

I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

Dated: August 6, 2019

A handwritten signature in blue ink, appearing to read 'Andrea M. Ignacio', is written over a horizontal line.

ANDREA M. IGNACIO, RPR, CRR, CCRR, CLR, CSR No. 9830